

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6611

BILL NUMBER: HB 1179

NOTE PREPARED: Apr 3, 2013

BILL AMENDED: Apr 2, 2013

SUBJECT: Securities Matters.

FIRST AUTHOR: Rep. Heaton

FIRST SPONSOR: Sen. Smith

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires that certain financial statements that are submitted with a registration statement for securities that: (1) are registered by qualification; and (2) are to be offered in Indiana with a maximum aggregate offering price in excess of \$1 M; be prepared using U.S. generally accepted accounting principles and be audited by an independent certified public accountant under U.S. generally accepted auditing standards or standards of the Public Company Accounting Oversight Board.

The bill makes it unlawful for a person to violate an agreement that is: (1) entered into between the Securities Division of the Secretary of State and the person; and (2) ordered by the Securities Commissioner under the Indiana Uniform Securities Act. It provides that a violation of an agreement does not subject the person to liability to a purchaser or seller.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *Civil Penalty* - A person found in violation of an agreement between the Secretary of State or the Securities Commissioner may be subject to a civil penalty of up to \$10,000 per violation. The penalty revenue is deposited in the Securities Division Enforcement Account. The additional revenue will likely be small.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Secretary of State: Securities Division;

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Heath Holloway, 232-9867.